

ASSEMBLY BILL

No. 1645

Introduced by Assembly Member Matthews

February 22, 2005

An act to amend Section 4691 of the Welfare and Institutions Code, relating to developmental services.

LEGISLATIVE COUNSEL'S DIGEST

AB 1645, as introduced, Matthews. Regional center services.

Existing law, the Lanterman Developmental Disabilities Services Act, requires the State Department of Developmental Services to allocate funds to private nonprofit regional centers for the provision of community services and support for persons with developmental disabilities and their families.

This bill would make a technical, nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 4691 of the Welfare and Institutions
2 Code is amended to read:
3 4691. (a) The Legislature reaffirms its intent that
4 community-based day programs be planned and provided as part
5 of a continuum of services to enable persons with developmental
6 disabilities to approximate the pattern of everyday living
7 available to people of the same age without disabilities. The
8 Legislature further intends that standards be developed to ensure
9 high quality services, and that equitable ratesetting procedures
10 based upon those standards be established, maintained, and

1 revised, as necessary. The Legislature intends that ratesetting
2 procedures be developed for all community-based day programs,
3 which include adult development centers, activity centers, infant
4 day programs, behavior management programs, social
5 recreational programs, and independent living programs.

6 (b) For the purpose of ensuring that regional centers may
7 secure high quality services for persons with developmental
8 disabilities, the State Department of Departmental Services shall
9 ~~promulgate~~ *adopt* regulations establishing program standards and
10 an equitable process for setting rates of state payment for
11 community-based day programs. These regulations shall include,
12 but ~~are~~ *shall not be* limited to:

13 (1) The standards and requirements related to the operation of
14 the program including, but not limited to, staff qualifications,
15 staff-to-client ratios, client entrance and exit criteria, program
16 design, program evaluation, program and client records and
17 documentation, client placement, and personnel requirements and
18 functions.

19 (2) The allowable cost components of the program including
20 salary and wages, staff benefits, operating expenses, and
21 management organization costs where two or more programs are
22 operated by a separate and distinct corporation or entity.

23 (3) The rate determination processes for establishing rates,
24 based on the allowable costs of the allowable cost components.
25 Different rate determination processes may be developed for
26 establishing rates for new and existing programs, and for the
27 initial and subsequent years of implementation of the regulations.
28 The processes shall include, but are not limited to:

29 (A) The procedure for identification and grouping of programs
30 by type of day program and approved staff-to-client ratio.

31 (B) The requirements for an identification of the program,
32 cost, and other information, if any, which the program is required
33 to submit to the department or the regional center, the
34 consequences, if any, for failure to do so, and the timeframes and
35 format for submission and review.

36 (C) The ratesetting methodology.

37 (D) A procedure for adjusting rates as a result of anticipated
38 and unanticipated program changes and fiscal audits of the
39 program and a procedure for appealing rates, including the

1 timeframes for the program to request an adjustment or appeal,
2 and for the department to respond.

3 (E) A procedure for increasing established rates and the
4 allowable range of rates due to cost-of-living adjustments.

5 (F) A procedure for increasing established rates as a result of
6 Budget Act appropriations made pursuant to the ratesetting
7 methodology established pursuant to Section 4691.5 and
8 subdivision (c).

9 The department shall develop these regulations in consultation
10 with representatives from organizations representing the
11 developmental services system as determined by the department.
12 The State Council on Developmental Disabilities, and other
13 organizations representing regional centers, providers, and clients
14 shall have an opportunity to review and comment upon the
15 proposed regulations prior to their promulgation. The department
16 shall promulgate these regulations for all community-based day
17 programs by July 1, 1990.

18 (c) Upon the ~~promulgation~~ *adoption* of regulations pursuant to
19 subdivision (b), and pursuant to Section 4691.5, and by
20 September 1 of each year thereafter, the department shall
21 establish rates pursuant to the regulations. Rate increases during
22 fiscal years 1990–91 and 1991–92 shall be limited to those
23 specified in subdivision (b). For fiscal year 1992–93 and all
24 succeeding fiscal years, any increases proposed during those
25 years in the rates of reimbursement established pursuant to the
26 regulations, except for rate increases due to rate appeals and rate
27 adjustments based on unanticipated program changes, shall be
28 subject to the appropriation of sufficient funds in the Budget Act,
29 for those purposes, to fully provide the proposed increase to all
30 eligible programs for the entire fiscal year. If the funds
31 appropriated in the Budget Act are not sufficient to fully provide
32 for the proposed increase in the rates of reimbursement for all
33 eligible programs for the entire fiscal year, the proposed increase
34 shall be limited to the level of funds appropriated. The increases
35 proposed in the rates of reimbursement shall be reduced
36 equitably among all eligible providers in accordance with funds
37 appropriated and the eligible programs shall be reimbursed at the
38 reduced amount for the entire fiscal year.

39 (d) Using the reported costs of day programs reimbursed at a
40 permanent rate and the standards and ratesetting processes

1 ~~promulgated~~ *adopted* pursuant to subdivision (b) as a basis, the
2 department shall report to the Legislature as follows:

3 (1) By April 15, 1993, and every odd year thereafter, the
4 difference between permanent rates for existing programs and the
5 rates of those programs based upon their allowable costs and
6 client attendance, submitted pursuant to the regulations specified
7 in subdivision (b). In reporting the difference, the department
8 shall also identify the amount of the difference associated with
9 programs whose rates are above the allowable range of rates,
10 which is available for increasing the rates of programs whose
11 rates are below the allowable range, to within the allowable
12 range, and any other pertinent cost or rate information which the
13 department deems necessary.

14 (2) By April 15, 1994, and every even year thereafter, the level
15 of funding, if any, which was not appropriated to reimburse
16 providers at the proposed rates reported the prior fiscal year
17 pursuant to paragraph (1), and any other pertinent cost or rate
18 information which the department deems necessary.

19 (3) The April 15, 1996, report pursuant to paragraph (2) shall
20 be prepared jointly by the department and organizations
21 representing community-based day program providers, as
22 determined by the department. That report shall also include a
23 review of the ratesetting process and recommendations, if any,
24 for its modification.

25 (e) Rates established by the department pursuant to
26 subdivision (b) are exempt from ~~the provisions of~~ Chapter 3.5
27 (commencing with Section 11340) of Part 1 of Division 3 of Title
28 2 of the Government Code.

29 (f) The department shall ensure that the regional centers
30 monitor compliance with program standards.